

DEPARTMENT OF UTILITIES

Sewer Fund

**City of Fairfax, Virginia
FY 2010 Sewer Fund
Budget Summary**

	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Revenues				
Operating Revenues				
Residential Sales	\$1,382,423	\$1,611,662	\$1,355,416	\$1,450,295
Commercial Sales	1,178,498	1,552,786	1,667,827	1,717,862
Subtotal Operating Revenues	2,560,921	3,164,448	3,023,243	3,168,157
Connections	377,209	350,000	222,100	700,000
Other Revenues				
Interest	1,866	25,000	20,000	20,000
Interfund Transfer	1,084,000	0	0	0
Miscellaneous	51,049	22,062	21,069	21,069
Subtotal Other Revenues	1,136,915	47,062	41,069	41,069
Total Revenues	\$4,075,046	\$3,561,510	\$3,286,413	\$3,909,227
Expenses				
Operating Expenses				
Sewage Treatment	\$1,810,146	\$2,079,857	\$2,079,857	\$2,163,051
Line Maintenance	431,686	750,524	1,131,995	1,303,501
Administrative & Engineering	1,058,390	871,632	857,779	896,449
Subtotal Operating Costs	3,300,222	3,702,013	4,069,631	4,363,001
Other Expenses				
Contingent Reserve	0	0	0	0
Debt Service	11,439	49,339	49,339	0
Subtotal Other Expenses	3,245	49,339	49,339	0
Total Expenses	\$3,311,661	\$3,751,352	\$4,118,970	\$4,363,001
Cash Balance - June 30	\$1,028,762	\$163,244	\$196,205	\$42,430
Total FTE	8	8	8	8

FUNCTION: Sewer Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: County Sewage Treatment Contract

BUDGET COMMENTS:

The FY 2010 City-County contract is projected to increase 4% (\$83,194) over the FY 2009 budget, for a total of \$2,163,051. Fairfax County has also notified the City that major plant upgrades are required due to an EPA mandated nitrogen reduction program and plant renovations. The City's share of the total cost when finalized will be 6.27%, which equates to the percentage of the plant capacity that the city uses for sewage treatment. Payment will be due in the form of debt service and will commence in FY 2011. Tentative figures provided by the County equate to \$7.8 million for the nitrogen removal and up to a maximum \$15 million for plant renovations, which is contingent upon the final scope which has yet to be determined.

PROGRAM:

Wastewater originating in the City's sewer system is treated by Fairfax County in its Noman Cole, Jr. Pollution Control Plant, (formerly Lower Potomac Pollution Control Plant) by a contractual agreement that covers up to 4.2 million gallons a day.

GOAL:

To ensure effective sewer services to city customers and to ensure treatment capacity availability for future use by administering the contract with Fairfax County for sewage treatment. To meet the City's adopted goal of providing unsurpassed user-friendly, customer-focused business practices.

OBJECTIVES:

- To determine how much capacity is being used and how much capacity is available for future use by measuring and monitoring city sewage flows to Fairfax County Treatment Plant and make recommendations to purchase additional capacity
- To monitor the city's payments to the county for treatment, capital improvement, operations and maintenance costs to ensure costs to city customers are competitive with costs to county customers

SERVICES AND PRODUCTS:

- Conveyance, treatment and disposal of wastewater for residents and businesses

PERFORMANCE MEASURES:

Indicators	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimated	FY 2010 Projected
Output Measures				
Average daily flow (Millions Gallons Daily-MGD)	3.80	3.80	3.78	3.78
Outcome Measures				
Available capacity for growth (MGD)	.40	.40	.42	.42
% Utilization of 4.2 MGD Average Capacity	90.5%	90.5%	90%	90%
Efficiency Measures				
Treatment costs per MGD	1,464	1,464	1,470	1,470

PERFORMANCE MEASUREMENT RESULTS:

- All measures indicate modest or flat variance across the fiscal years noted.

Cost Center 435110: County Sewage Treatment Contract

Title	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Other Charges	\$1,810,146	\$2,079,857	\$2,079,857	\$2,163,051
Total	\$1,810,146	\$2,079,857	\$2,079,857	\$2,163,051

FUNCTION: Sewer Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Sanitary Sewer Line Maintenance

BUDGET COMMENTS:

The cost center increased by \$552,977 (73.7%) and is due to capital project expenditures as a result of lease financing obtained for the sewer and water funds in June 2008. As a result, additional funds are provided for the following projects: sewage pump station rehabilitation (\$300,000), sewer lining (\$179,648) and sewer trunk line rehabilitation (\$100,000). All employees will receive a market adjustment in FY 2010, but merit (step) increases will remain frozen.

The FY 2009 estimate notes the increased capital expenses to account for sewer lining work and the replacement of one vehicle, a Flush Truck.

PROGRAM:

Sanitary sewer lines and facilities are maintained by the Sewer Division of the Utilities Department.

GOAL:

To provide a reliable sanitary sewer service by inspecting, cleaning, repairing and rehabilitating the city's sanitary sewer network. To meet the City's adopted goal of providing unsurpassed user-friendly, customer-focused business practices.

OBJECTIVES:

- To maintain the number of backups at less than five per year
- To rehabilitate a minimum of 2,300 linear feet of sewer lines annually
- To rehabilitate approximately 229 vertical feet (VF) of manhole annually

SERVICES AND PRODUCTS:

- Clear and well-maintained sewer lines
- Minimize backups in main sewer lines

PERFORMANCE MEASURES:

Indicators	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimated	FY 2010 Projected
Output Measures				
Feet of pipe rehabilitated	3,881	4,288	4,500	4,500
Manholes rehabilitated – Vertical Feet (VF)	206	221	229	229
Number of backups	2	4	3	1

PERFORMANCE MEASUREMENT RESULTS:

- The increase in feet of pipe rehabilitated and manholes rehabilitated is due to greater funding available for capital projects. Work crews will achieve their objective of rehabilitating 2,300 linear feet of sewer lines annually, and rehabilitating 229 vertical feet of manholes annually.

Cost Center 435120: Sewer Line Maintenance

Title	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Salaries	\$272,714	\$308,235	\$294,618	\$303,085
Fringe Benefits	92,488	98,877	98,877	105,916
Purchased Services	12,747	24,000	23,000	25,500
Other Charges	12,878	14,000	14,500	17,000
Supplies & Materials	40,858	78,000	74,000	75,000
Capital Outlay	0	227,412	627,000	777,000
Total	\$431,686	\$750,524	\$1,131,995	\$1,303,501

Personnel Classification	Grade	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Crew Supervisor	18	1.0	1.0	1.0	1.0
Utility Worker III	13	1.0	1.0	1.0	1.0
Utility Technician	11	1.0	1.0	1.0	1.0
Utility Worker II	10	1.0	1.0	1.0	1.0
Laborer II	6	1.0	1.0	1.0	1.0
Total FTE		5.0	5.0	5.0	5.0

FUNCTION: Sewer Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Sewer Administration and Engineering

BUDGET COMMENTS:

This cost center reflects a slight increase in funding of 2.85% (\$24,817). All employees will receive a market adjustment in FY 2010, but merit (step) increases will remain frozen. The Management Fee, which notes charges to the department for its share and use of City services, increased 5% (\$27,793) over the previous fiscal year. Other line item decreases were applied to contract services (\$2,500), and travel and training (\$1,500).

PROGRAM:

Sewer service administration and engineering are provided by the Department of Utilities and include in-house engineering, customer billing, vehicle maintenance and general administration.

GOAL:

To provide effective managerial, administrative and engineering support to the sewer line maintenance division in order to enhance department performance. To meet the City's adopted goal of providing unsurpassed user-friendly, customer-focused business practices.

OBJECTIVES:

- To conduct an efficient utility billing for 7,205 sewer customers
- To review site plans submitted by developers within 14 days
- To process 100% of MISS UTILITY calls within 48 hours
- To administer new sewer connections to the sewer system
- To administer sewage conveyance to Fairfax County
- To administer the capital improvement program

SERVICES AND PRODUCTS:

- Management services for sewer division
- Utility bills
- Sewer emergency response
- Sewer connection information

FUNCTION: Sewer Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Sewer Administration and Engineering

PERFORMANCE MEASURES:

Indicators	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimate	FY 2010 Projected
Output Measures				
Site Plans reviewed	22	22	26	25
MISS UTILITY calls processed	10,950	9,508	12,000	12,000
Operating Revenue	2,725,593	2,560,921	3,023,243	3,168,157
Connection Revenue	341,075	377,209	222,100	700,000
Outcome Measures				
Site plans reviewed within 14 days (%)	95%	95%	95%	100%
Miss Utility calls processed within 48 hours	100%	100%	100%	100%
Residential Revs. as % of Operating Revenues	45%	54%	45%	46%
Commercial Revs. as % of Operating Revenues	55%	46%	55%	54%
Percent Change in Operating Revenues	1%	-6%	18%	5%
Connection Fees as % of Total Revenues	10%	9%	7%	18%
Efficiency				
Cost Per Customer	\$319	\$298	\$370	\$391

PERFORMANCE MEASUREMENT RESULTS:

- The number of site plans reviewed and the number of MISS UTILITY calls is expected to remain fairly constant in FY 2009 and FY 2010. Both projections are based on market conditions relating to potential projects of both the residential and commercial sectors.
- Connection revenue is predominantly associated with new construction at George Mason University.
- Increase in percent change in operating revenues for FY 2009 and FY 2010 are based on rate increases of 7% and 10%, respectively.

FY 2010 Adopted Budget - City of Fairfax, Virginia

Cost Center 435130: Sewer Administration & Engineering

Title	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Salaries	\$373,533	\$216,218	\$208,115	\$212,770
Fringe Benefits	125,626	76,763	76,763	82,135
Purchased Services	2,950	6,000	1,900	2,750
Internal Services	539,661	555,851	555,851	583,644
Other Charges	16,497	16,300	14,650	14,650
Supplies & Materials	123	500	500	500
Capital Outlay	0	0	0	0
Total	\$1,058,390	\$871,632	\$857,779	\$896,449

Personnel Classification	Grade	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Director of Utilities	29	0.5	0.5	0.5	0.5
Assistant Director of Utilities	24	0.5	0.5	0.5	0.5
Util. Constr. Projects Coord.	18	0.5	0.5	0.5	0.5
Administrative Assistant IV	14	0.5	0.5	0.5	0.5
Utility Billing Clerk	13	1.0	1.0	1.0	1.0
Total FTE		3.0	3.0	3.0	3.0

FUNCTION: Sewer Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Sewer Debt Service

BUDGET COMMENTS:

FY 2009 marks the final year of debt service for the Sewer Fund from its original financing in 1994. In June 2008, the city obtained \$4.8 million in debt financing for planned capital expenses related to the sewer and water fund. Annual debt service costs will be charged to the water fund. Additional debt service requirements will be required beginning in FY 2011 with upgrades to Fairfax County's wastewater treatment plant. More details are noted as follows in the Program section.

PROGRAM:

Fairfax County has notified the City that major plant upgrades are required due to an EPA mandated nitrogen reduction program to comply with Chesapeake Bay Standards and plant renovations. The City's share of the total cost when finalized will be 6.27%, which equates to the percentage of the plant capacity that the city uses for sewage treatment. Payment will be due in the form of debt service and will commence in FY 2011. Tentative figures provided by the County equate to \$7.8 million for the nitrogen removal and up to a maximum \$15 million for plant renovations, which is contingent upon the final scope which has yet to be determined.

GOAL:

To ensure an adequate and efficient sanitary sewage system, that is financially secure, by paying principal and interest on a debt to Fairfax County for completed upgrades at Noman Cole, Jr. Pollution Control Plant for the removal of nitrogen from the sewage.

OBJECTIVE:

- Debt service

SERVICES AND PRODUCTS:

- Payment of principal and interest on debt Fairfax County.

Cost Center 435710: Sewer Debt Service				
Title	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Debt Service	\$11,439	\$49,339	\$49,339	\$0
Total	\$11,439	\$49,339	\$49,339	\$0

Sewer Fund expense detail

Account		FY 2008 Actual	FY 2009 Budget	FY 2009 Estimate	FY 2010 Adopted
<u>County Sewer Treatment Contract (435110)</u>					
530835	City-County Contracts	1,810,146	2,079,857	2,079,857	2,163,051
<u>Sanitary Sewer Line Maintenance (435120)</u>					
511105	Salaries - Full Time	223,417	265,332	260,672	265,234
511115	Salaries - Overtime	25,213	29,346	29,346	33,069
511125	Temporary Help	0	11,738	0	0
511130	On Call Pay	10,998	0	2,400	2,544
511135	Holiday Worked	3,410	1,819	2,200	2,239
511160	Incentive Awards	1,026	0	0	0
511165	Year End Audit Adj	8,651	0	0	0
512110	Fringe Benefits	92,488	98,877	98,877	105,916
530113	Contract Services	110	2,000	2,000	2,500
530350	Building Maintenance	645	2,000	2,000	2,500
530351	Equipment Maintenance	11,992	20,000	19,000	20,500
550110	Utilities Expense	11,187	9,000	12,000	12,000
550430	Equipment Rental	1,691	5,000	2,500	5,000
550501	Travel & Training	0	0	0	0
550731	Employee Awards	0	0	0	0
560110	Office Supplies	0	5,000	2,000	2,000
560120	Small Equipment	0	0	0	0
560420	Operating Supplies	12,639	18,000	15,000	18,000
560430	Operating Materials	11,606	20,000	21,000	20,000
560501	Chemicals - Other	16,613	35,000	36,000	35,000
580105	Vehicle Replacement	0	0	315,000	0
580108	Other Mach & Equip Repl.	0	20,000	20,000	20,000
580410	Utility Engineering	0	10,000	10,000	10,000
580428	Sewage Pump Station Rehab	0	0	0	300,000
580429	Sewer Rehab at Creek Cross.	0	30,000	0	0
580441	Sewer Lining	0	135,352	250,000	315,000
580442	Manhole Rehab	0	32,060	32,000	32,000
580443	Sewer Trunk Line Rehab.	0	0	0	100,000
Subtotal		431,686	750,524	1,131,995	1,303,501

Sewer Fund expense detail

Account		FY 2008 Actual	FY 2009 Budget	FY 2009 Estimate	FY 2010 Adopted
<u>Administration & Engineering (435130)</u>					
511105	Salaries - Full Time	373,451	212,210	207,511	211,142
511115	Salaries - Overtime	82	1,145	604	102
511125	Temporary Help	0	2,863	0	1,526
511160	Incentive Awards	0	0	0	0
512110	Fringe Benefits	125,626	76,763	76,763	82,135
530113	Contract Services	991	5,000	1,000	2,500
530521	Printing & Duplicating Expense	0	500	200	250
530620	Advertising	1,959	500	700	0
540060	Management Fee	539,661	555,851	555,851	583,644
550501	Travel & Training	1,649	2,000	500	500
550806	Other Services	14,656	14,000	14,000	14,000
550820	Dues & Subscriptions	192	300	150	150
560110	Office Supplies	123	500	500	500
580103	Office Equipment Replacement	0	0	0	0
580203	New Office Equipment	0	0	0	0
580408	Office Building	0	0	0	0
	Subtotal	1,058,390	871,632	857,779	896,449
<u>Allow for Doubtful Accts</u>					
550120	Utility Bad Debts	8,194	0	0	0
<u>Debt Service (435710)</u>					
590110	Interest	3,245	49,339	49,339	0
<u>Fund Transfers</u>					
591512	Transfer to Water Fund	0	0	0	0
Total Sewer Fund		\$3,311,661	\$3,751,352	\$4,118,970	\$4,363,001

DEPARTMENT OF UTILITIES

Water Fund

**City of Fairfax, Virginia
FY 2010 Water Fund
Budget Summary**

Revenues	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Operating Revenues				
Residential Sales	\$2,206,640	\$2,743,972	\$2,125,680	\$2,274,641
Commercial Sales	2,225,233	2,888,459	3,022,147	3,233,697
Wholesale	1,088,808	1,011,633	1,703,284	2,284,475
Subtotal Operating Revenues	5,520,681	6,644,064	6,851,111	7,792,813
Connections	1,289,430	550,000	1,280,592	1,223,500
Other Revenues				
Interest	58,081	50,000	50,000	30,000
Miscellaneous	658,302	50,000	32,200	32,200
Interfund Transfer	0	0	0	0
Subtotal Other Revenues	716,382	100,000	82,200	62,200
Total Revenues	\$7,526,494	\$7,294,064	\$8,213,903	\$9,078,513
Expenses				
Operating				
Impoundment & Treatment	\$3,366,335	\$2,955,076	\$3,589,247	\$4,514,175
Water Line Maintenance	1,061,257	1,429,846	2,401,908	1,464,103
Administration & Engineering	1,515,377	1,811,551	1,729,721	1,864,791
Consumer Services	751,868	831,436	748,639	801,402
Subtotal Operating Costs	6,694,837	7,027,908	8,469,514	8,644,471
Other				
Debt Service	116,663	199,470	315,084	376,303
Transfers	1,930,500	0	0	0
Contingent Reserve	0	0	0	0
Subtotal Other	2,047,163	199,470	315,084	376,303
Total Expenses	\$8,742,001	\$7,227,378	\$8,784,598	\$9,020,774
Cash Balance - June 30	\$2,994,176	\$791,420	\$2,423,482	\$2,181,221
Total FTE	31	32	32	32

FUNCTION: Water Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Water Impoundment and Treatment

BUDGET COMMENTS:

The cost center increased 52.8% or \$1,559,099. In June 2008, the City obtained debt financing to address the infrastructure needs of the water treatment plant. As such, there are additional capital funds of \$350,000 to provide for machine and equipment upgrades, and \$250,000 for work done on the raw water pumping station. Two other non-capital related expenses drive the increase significantly in FY 2010. First, higher utilities expenses require an additional \$360,000 based on current trends. Second, the increasing chemical costs associated with properly treating the water supply results in an additional \$580,000.

PROGRAM:

The City owns and operates its own water supply system; a 130-million gallon reservoir, and a water treatment plant on Goose Creek, located in Loudoun County. A second, off-stream reservoir is located upstream from the primary, on a tributary known as Beaverdam Creek, and it impounds an additional 1.4 billion gallons of water to supplement the Goose Creek during low stream flow conditions.

GOAL:

To produce safe potable water, in full compliance with all applicable regulations, in sufficient quantities to fully satisfy customer needs. To meet the City's adopted goal of providing unsurpassed user-friendly, customer-focused business practices.

OBJECTIVES:

- To operate and maintain the Goose Creek and the Beaverdam Creek impoundment facilities, and the Goose Creek Water Treatment Plant 24 hours a day, without interruption resulting from mechanical and/or treatment failures
- To comply with all existing and Adopted state and federal drinking water standards
- To comply with all the existing and Adopted Virginia Pollutant Discharge Elimination System (VPDES) Permit limits for residuals generated by the removal of contaminants from the water during the treatment process

SERVICES AND PRODUCTS:

- Purified water

PERFORMANCE MEASURES:

Indicators	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimated	FY 2010 Projected
Output Measures				
Gallons of water produced (millions)	4,351	4,380	4,198	4,026
Outcome Measures				
Compliance with drinking water standards	100%	100%	99%	100%
Compliance with VPDES* permit limits	100%	100%	100%	100%
% Utilization of water plant's 12 MGD	100%	97.5%	95.8%	91.7%

* Virginia Pollutant Discharge Elimination System

PERFORMANCE MEASUREMENT RESULTS:

Cost Center 436110: Water Impoundment & Treatment				
Title	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Salaries	\$970,116	\$990,358	\$968,526	\$998,034
Fringe Benefits	306,530	303,288	278,433	322,811
Purchased Services	238,586	345,000	345,000	365,000
Other Charges	882,111	556,000	882,408	916,000
Supplies & Materials	606,823	760,430	889,880	1,262,330
Capital Outlay	362,168	0	225,000	650,000
Total	\$3,366,335	\$2,955,076	\$3,589,247	\$4,514,175

Personnel Classification	Grade	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Division Superintendent	24	1.0	1.0	1.0	1.0
Water Plant Operator III	17	6.0	6.0	6.0	6.0
Water Plant Mechanic	14	2.0	2.0	2.0	2.0
Water Plant Operator II	13	0.0	0.0	0.0	0.0
Water Plant Operator I	12	1.0	1.0	1.0	1.0
Water Plant Operator Trainee	10	1.0	2.0	2.0	2.0
Water Plant Operator Trainee	9	1.0	1.0	1.0	1.0
Water Plant Assistant	8	1.0	1.0	1.0	1.0
Total FTE		13.0	14.0	14.0	14.0

FUNCTION: Water Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Water Line Maintenance

BUDGET COMMENTS:

The cost center increased by 2.4% (\$34,257), as several line items witnessed variances from the prior adopted fiscal year. Personnel expenses note an increase of \$130,557 and reflect one additional employee, a Utility Worker III, to the cost center. All employees will receive a market adjustment in FY 2010, but merit (step) increases will remain frozen. Decreases in expenses are noted to equipment maintenance (\$75,000) and equipment rental (\$35,000).

PROGRAM:

The water transmission line runs 26 miles along the abandoned Washington and Old Dominion Railroad right-of-way and parallels Hunter Mill Road. The transmission main is 24 inches in diameter and has interconnections to service wholesale customers, Loudoun Water and Fairfax Water (primarily for Oakton). The City also directly serves, on a retail basis, an area of Fairfax County adjoining the City.

GOAL:

To provide a reliable water distribution system by cleaning, repairing and replacing the transmission main, neighborhood distribution system and three storage tanks. To meet the City's adopted goal of providing unsurpassed user-friendly, customer-focused business practices.

OBJECTIVES:

- To replace approximately 6,550 feet of deteriorated water mains annually
- To maintain average water service interruption to four hours due to water main break

SERVICES AND PRODUCTS:

- Potable water supply
- Miss Utility line location markings
- Repair water main breaks
- Repair and replace fire hydrants
- Water plant maintenance support
- Install or replace water mains

FUNCTION: Water Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Water Line Maintenance

PERFORMANCE MEASURES:

Indicators	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimated	FY 2010 Projected
Output Measures				
Pipe replaced (feet)	600	0	6,550	0
Average service interruption per water main break (hours)	3.8	3.7	3.6	4
Outcome Measures				
% Planned Pipe replaced	12	0	100	0
% of service interruption due to water main break – less than or equal to four hours	75	80	75	75

PERFORMANCE MEASUREMENT RESULTS:

Contract documents were completed for the full amount of Adopted water main replacement in FY 2005-06. Actual construction is being delayed until FY 2008-09 to avoid additional traffic congestion in the downtown area. Main replacement work is currently ongoing in FY 2009 in the Sideburn Road area of the city.

Cost Center 436120: Water Line Maintenance

Title	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Salaries	\$500,910	\$445,168	\$443,983	\$529,698
Fringe Benefits	174,206	131,627	144,663	177,655
Purchased Services	47,002	153,000	78,000	80,000
Other Charges	38,062	96,800	44,000	44,000
Supplies & Materials	111,662	209,250	163,750	195,750
Capital Outlay	189,416	394,000	1,527,511	437,000
Total	\$1,061,257	\$1,429,846	\$2,401,908	\$1,464,103

Personnel Classification	Grade	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Division Superintendent	25	1.0	1.0	1.0	1.0
Crew Supervisor	18	1.0	1.0	1.0	1.0
Utility Worker III	13	1.0	1.0	2.0	2.0
Equipment Operator	12	1.0	1.0	1.0	1.0
Truck Driver I	9	2.0	2.0	2.0	2.0
Laborer II	6	1.0	1.0	1.0	1.0
Total FTE		7.0	7.0	8.0	8.0

FUNCTION: Water Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Water Administration and Engineering

BUDGET COMMENTS:

The Administration cost center increased 2.9% (\$53,241). All employees will receive a market adjustment in FY 2010, but merit (step) increases will remain frozen. The Management Fee line item notes an increase of 5% (\$63,745) over the previous fiscal year. Other decreases include contract services (\$5,000) and motor pool charges (\$7,859).

PROGRAM:

Water service administration and engineering are provided by the Department of Utilities and includes in-house engineering, customer billing and general administration.

GOAL:

To provide effective managerial, administrative and engineering support to the water impoundment, treatment and line maintenance divisions in order to enhance department performance. To meet the City's adopted goal of providing unsurpassed user-friendly, customer-focused business practices. To pursue the implementation of infrastructure projects throughout the City with specific emphasis on the adoption and implementation of the Water Treatment Plant Master Plan.

OBJECTIVES:

- To conduct efficient utility billing for 10,386 water customers
- To review site plan submitted by developers within 14 days
- To process 100% of MISS UTILITY calls with 48 hours
- To administer new water connections to the water system
- To administer wholesale water sales to Loudoun Water and the Fairfax Water
- To administer the Capital Improvement Program

SERVICES AND PRODUCTS:

- Management services for water division
- Water service information
- Utility bills
- Emergency water response
- Water connection information

FUNCTION: Water Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Water Administration and Engineering

PERFORMANCE MEASURES:

Indicators	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimate	FY 2010 Projected
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Output

Site Plans Reviewed	25	22	26	25
MISS Utility Calls Processed	10,950	9,508	12,000	12,000
Gallons of Water Produced	4,351,000	4,380,000	4,198,000	4,200,000
Number of Gallons sold to Loudoun Water	2,044,000	2,008,000	1,732,000	2,258,000
Number of Gallons sold to Fairfax Water	41,800	41,700	42,000	42,000
Wholesale Revenue	1,838,043	1,088,808	1,703,284	2,284,475
Operating Revenue	4,874,026	4,431,873	5,147,827	5,508,338
Connection Revenues	826,596	1,289,430	1,280,592	1,223,500

Outcome

Residential Revenues as % of Operating Revenues	42%	50%	41%	41%
Commercial Revenues as % of Operating Revenues	58%	50%	59%	59%
Percent Change in Operating Revenues	5%	-9%	16%	7%
Wholesale Revenues as % of Total Revenues	22%	14%	21%	25%
Connection Fees as % of Total Revenues	10%	17%	16%	13%

Efficiency

Cost Per Total Gallons Produced*	0.64	0.68	0.75	0.90
Cost Per Customer	\$684	\$786	\$790	\$807

PERFORMANCE MEASUREMENT RESULTS:

- The number of site plans reviewed and the number of MISS UTILITY calls is expected to remain fairly constant in FY 2009 and FY 2010. Both projections are based on market conditions relating to potential projects of both the residential and commercial sectors.
- Increase in percent change in Operating Revenues is due to rate increases for FY 2009 and FY 2010 of 7% and 10%, respectively.
- Connection Revenues are largely attributable to new construction at George Mason University.
- The Cost per Total gallons Produced expenses used include only operational, chemical, and personnel at the Water Treatment Plant; and references only treatment and not distribution costs.

Cost Center 436130: Water Administration and Engineering

Title	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Salaries	\$37,195	\$213,494	\$168,466	\$211,142
Fringe Benefits	16,542	76,554	48,101	82,011
Purchased Services	12,566	23,000	17,500	16,600
Internal Services	1,407,568	1,467,503	1,467,503	1,523,388
Other Charges	35,503	26,000	25,150	27,650
Supplies & Materials	4,699	5,000	3,000	4,000
Capital Outlay	1,306	0	0	0
Total	\$1,515,377	\$1,811,551	\$1,729,721	\$1,864,791

Personnel Classification	Grade	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Director of Utilities	29	0.5	0.5	0.5	0.5
Assistant Director of Utilities	24	0.5	0.5	0.5	0.5
Util. Constr. Projects Coord.	18	0.5	0.5	0.5	0.5
Administrative Assistant IV	14	0.5	0.5	0.5	0.5
Utility Billing Clerk	12	1.0	1.0	1.0	1.0
Total FTE		3.0	3.0	3.0	3.0

FUNCTION: Water Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Consumer Services

BUDGET COMMENTS:

This cost center decreased by \$30,034 (-3.6%). Notable decreases occurred in personnel expenses (\$22,634), as one employee was transferred to the Line Maintenance cost center. Also, traffic sign materials decreased by \$40,000, but was offset by additional funds for replacement meters and parts for \$35,000. All employees will receive a market adjustment in FY 2010, but merit (step) increases will remain frozen.

PROGRAM:

The water system is a consumer-oriented enterprise providing services to retail and wholesale water customers, including installation of service lines and water meters, meter reading and testing, meter and service line replacement, water quality monitoring and response to customer concerns.

GOAL:

To satisfy customer needs by monitoring water quality in the distribution system, replacing defective meters, reading meters for billing, and responding to customer inquiries. To meet the City's adopted goal of providing unsurpassed user-friendly, customer-focused business practices.

OBJECTIVES:

- To collect a minimum of 100% of required water quality samples
- To replace 100% of meters that have registered one million gallons or more
- To replace 100% of defective meters
- To install 100% of requests for new meters
- To respond to 100% of customer inquiries within 24 hours
- To read all residential meters quarterly and commercial meters monthly

SERVICES AND PRODUCTS:

- Read water meters
- Water service line installation
- Install new water meters
- Replace old or defective meters
- Leak determination
- Customer service
- Water quality monitoring

FUNCTION: Water Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Consumer Services

PERFORMANCE MEASURES:

INDICATORS	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimated	FY 2010 Projected
Output Measures				
Request for new meters to be set	96	103	100	100
Number of meters to be read	55,310	55,310	55,610	55,910
Outcome Measures				
Water quality samples as % of required samples	110%	110%	110%	110%
Number of 1 million gallon meters replaced	100%	100%	100%	100%
Number of defective meters replaced	100%	100%	100%	100%

PERFORMANCE MEASUREMENT RESULTS:

- The number of meters to be read will remain fairly constant, increasing only each year due to new construction and re-development.

Cost Center 436140: Consumer Services

Title	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Salaries	\$450,837	\$487,293	\$448,896	\$464,383
Fringe Benefits	160,279	159,743	159,743	160,019
Purchased Services	0	5,000	5,000	5,000
Other Charges	3,399	5,400	3,500	4,000
Supplies & Materials	137,354	174,000	131,500	168,000
Capital Outlay	0	0	0	0
Total	\$751,868	\$831,436	\$748,639	\$801,402

Personnel Classification	Grade	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Crew Supervisor	18	1.0	1.0	1.0	1.0
Meter Reading Supervisor	16	1.0	1.0	1.0	1.0
Line Locator	13	1.0	1.0	1.0	1.0
Utility Worker III	13	1.0	1.0	0.0	0.0
Equipment Operator I	12	1.0	1.0	1.0	1.0
Meter Reader	9	2.0	2.0	2.0	2.0
Truck Driver I	9	0.0	0.0	0.0	0.0
Laborer II	6	1.0	1.0	1.0	1.0
Total FTE		8.0	8.0	7.0	7.0

FUNCTION: Water Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Water Debt Service

BUDGET COMMENTS:

FY 2009 reflects the final debt service payment due from the original 1994 Bond. In June 2008, the City obtained \$4.8 million in debt financing to address the infrastructure needs of the water and sewer systems.

PROGRAM:

General obligation bonds and debt service instruments are issued, after approval through a referendum, for projects too large to be funded by current revenues and that will have a long-term public benefit.

GOAL:

To contribute to a water system that satisfies customer needs by paying principal and interest on debt service obligations issued to fund water capital projects.

OBJECTIVES:

- Pay principal and interest on bonds

SERVICES AND PRODUCTS:

- Payment of water bond principal and interest

Cost Center 436711: Water Debt Service				
Title	FY 2008 <u>Actual</u>	FY 2009 <u>Budget</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Adopted</u>
Debt Service	116,663	199,470	315,084	376,303
Total	\$116,663	\$199,470	\$315,084	\$376,303

Lease Financing for Utility Improvements
Principal 7-15; Interest 7-15 & 1-15

Payments During Year

YEAR ENDING			
<u>JUNE 30</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
			<u>REQUIREMENT</u>
2009	0	119,199	119,199
2010	169,000	207,302	376,302
2011	177,000	200,036	377,036
2012	184,000	192,425	376,425
2013	192,000	184,513	376,513
2014	200,000	176,257	376,257
2015	209,000	167,657	376,657
2016	218,000	158,670	376,670
2017	227,000	149,296	376,296
2018	237,000	139,535	376,535
2019	247,000	129,344	376,344
2020	258,000	118,723	376,723
2021	269,000	107,629	376,629
2022	280,000	96,062	376,062
2023	292,000	84,022	376,022
2024	305,000	71,466	376,466
2025	318,000	58,351	376,351
2026	332,000	44,677	376,677
2027	346,000	30,401	376,401
2028	361,000	15,523	376,523
Total	\$4,821,000	\$2,451,088	\$7,272,088

Purpose: financing for capital improvements to the city's water and sewer systems.

Principal Amount: \$4,821,000

Date of Issue: June 2008

Collateral / Property Interest: Lyndhurst Water Tank, sewage pumping station, sewage pumps, wet well, and control system.

FY 2010 Adopted Budget - City of Fairfax, Virginia
Water Fund expense detail

Account		FY 2008 Actual	FY 2009 Budget	FY 2009 Estimate	FY 2010 Adopted
<u>Impoundment & Treatment (436110)</u>					
511105	Salaries - Full Time	738,960	805,277	748,940	790,159
511115	Salaries - Overtime	155,482	134,041	165,276	142,450
511125	Temporary Help	0	5,421	0	0
511130	On Call Pay	51,626	31,309	40,000	50,875
511135	Holiday Worked	24,248	14,310	14,310	14,550
511160	Incentive Awards	0	0	0	0
511165	Year End Audit Adj	(200)	0	0	0
511180	Salary Reimbursement	0	0	0	0
512110	Fringe Benefits	306,530	303,288	278,433	322,811
530113	Contract Services	79,928	175,000	175,000	175,000
530124	Dam Safety Recertification	0	0	0	20,000
530125	Lab Testing Fees	13,925	15,000	15,000	15,000
530350	Building Maintenance	13,880	15,000	15,000	15,000
530351	Equipment Maintenance	130,854	120,000	120,000	120,000
530521	Printing & Duplicating Expense	0	0	0	0
530620	Advertising	0	0	0	0
530815	Health Dept Program Fee	0	20,000	20,000	20,000
550110	Utilities Expense	865,050	540,000	866,598	900,000
550430	Equipment Rental	10,687	10,000	10,000	10,000
550501	Travel & Training	6,044	5,000	5,000	5,000
550820	Dues & Subscriptions	330	1,000	810	1,000
560110	Office Supplies	394	350	300	350
560351	Repair Parts	26,972	65,000	35,000	35,000
560352	Fuels & Lubricants	10	200	200	200
560359	Change in Inventory	7,404	0	0	0
560420	Operating Supplies	40,172	45,000	45,000	45,000
560421	Pipe & Accessories	9,605	5,000	5,000	5,000
560422	Construction Material	3,672	5,500	4,500	5,500
560430	Operating Material	24,532	12,000	12,000	12,000
560435	Soil & Mulch	195	500	0	0
560501	Chemicals - Other	0	1,280	1,280	1,280
560551	Chlorine	40,338	75,000	45,000	45,000
560552	Lime	24,467	52,000	30,000	30,000
560553	Carbon	22,334	42,000	25,000	25,000
560554	Fluoride	23,599	28,000	28,000	28,000
560555	Caustic Soda	129,017	124,000	130,000	150,000
560556	Corrosion Inhibitor	16,165	25,000	20,000	20,000
560557	Ferric	227,719	270,000	500,000	850,000
560558	Polymer	0	0	0	0
560559	Potassium Perm.	10,230	9,600	8,600	10,000
580105	Vehicle Replacement	0	0	0	0
580108	Other Mach & Equip Replace	60,622	0	100,000	100,000
580208	New Other Mach & Equip	88,051	0	75,000	250,000
580410	Utility Engineering	114,077	0	50,000	50,000
580412	Raw Water Pumping Station	0	0	0	250,000
580414	Beaver Dam Facilities	94118	0	0	0
580420	Solids Handling	5,300	0	0	0
Subtotal		3,366,335	2,955,076	3,589,247	4,514,175

FY 2010 Adopted Budget - City of Fairfax, Virginia
Water Fund expense detail

Account		FY 2008 Actual	FY 2009 Budget	FY 2009 Estimate	FY 2010 Adopted
<u>Line Maintenance (436120)</u>					
511105	Salaries - Full Time	417,000	343,822	355,727	439,650
511115	Salaries - Overtime	62,230	62,923	65,000	66,138
511125	Temporary Help	0	16,263	0	0
511130	On Call Pay	20,056	20,256	22,256	22,385
511135	Holiday Worked	835	1,905	1,000	1,526
511160	Incentive Awards	789	0	0	0
511165	Year end Audit Adjustment	0	0	0	0
511180	Salary Reimbursement	0	0	0	0
512110	Fringe Benefits	174,206	131,627	144,663	177,655
530113	Contract Services	47,002	53,000	53,000	55,000
530351	Equipment Maintenance	0	100,000	25,000	25,000
530620	Advertising	0	0	0	0
550110	Utilities Expense	5,021	2,500	5,500	5,500
550430	Equipment Rental	261	40,000	5,000	5,000
550501	Travel & Training	871	2,500	1,500	1,500
550731	Employee Awards	163	3,500	0	0
550806	Other Services	31,746	48,000	32,000	32,000
550820	Dues & Subscriptions	0	300	0	0
560110	Office Supplies	126	750	750	750
560120	Small Equipment	14,263	42,000	20,000	40,000
560420	Operating Supplies	10,723	16,000	16,000	16,000
560421	Pipe & Accessories	34,826	53,500	30,000	50,000
560422	Construction Material	23,676	35,000	35,000	35,000
560423	Asphalt	6,595	40,000	40,000	30,000
560424	Concrete	535	4,000	4,000	4,000
560430	Operating Material	20,917	18,000	18,000	20,000
580105	Vehicle Replacement	0	100,000	110,000	131,000
580108	Other Mach & Equip Replace	0	5,000	0	5,000
580208	New Other Machine & Equipment	0	1,000	0	1,000
580410	Utility Engineering	25,383	0	18,000	15,000
580422	Asphalt Patching	0	135,000	135,000	135,000
580423	24" Trans. Main Rehab.	0	0	0	0
580424	Water Main Replacement	0	0	1,100,000	0
580426	Lyndhurst Tank Maintenance	164,033	153,000	164,511	150,000
	Subtotal	1,061,257	1,429,846	2,401,908	1,464,103

FY 2010 Adopted Budget - City of Fairfax, Virginia
Water Fund Expense Detail

Account		FY 2008 Actual	FY 2009 Budget	FY 2009 Estimate	FY 2010 Adopted
<u>Administration (436130)</u>					
511105	Salaries - Full Time	37,195	212,210	168,466	211,142
511115	Salaries - Overtime	0	1,284	0	0
512110	Fringe Benefits	16,542	76,554	48,101	82,011
530113	Contract Services	6,957	20,000	15,000	15,000
530521	Printing & Duplicating Expense	192	1,000	500	1,000
530620	Advertising	5,417	2,000	2,000	600
540060	Management Fee	1,237,761	1,274,894	1,274,894	1,338,638
540102	Motor Pool Charges	169,807	192,609	192,609	184,750
550501	Travel & Training	2,850	5,000	0	500
550731	Employee Awards	0	0	0	0
550806	Other Services	32,231	20,000	25,000	27,000
550820	Dues & Subscriptions	422	1,000	150	150
560110	Office Supplies	4,699	5,000	3,000	4,000
560120	Small Equipment	0	0	0	0
580103	Office Equipment Replacement	1,306	0	0	0
580203	New Office Equipment	0	0	0	0
580408	Office Building	0	0	0	0
Subtotal		1,515,377	1,811,551	1,729,721	1,864,791
<u>Consumer Services (436140)</u>					
511105	Salaries - Full Time	366,713	431,541	392,264	399,129
511115	Salaries - Overtime	47,125	34,054	35,000	40,700
511125	Temporary Help	16,276	8,132	8,066	8,274
511130	On Call Pay	15,135	11,574	11,574	14,245
511135	Holiday Worked	2,194	1,992	1,992	2,035
511160	Incentive Awards	3,394	0	0	0
512110	Fringe Benefits	160,279	159,743	159,743	160,019
530351	Equipment Maintenance	0	5,000	5,000	5,000
530620	Advertising	0	0	0	0
550120	Utility Bad Debt	0	0	0	0
550430	Equipment Rental	2,325	4,000	3,500	4,000
550501	Travel & Training	917	1,400	0	0
550806	Other Services	157	0	0	0
560110	Office Supplies	2,798	2,000		1,500
560120	Small Equipment	0	2,000	1,500	1,500
560410	New Water Meters & Parts	30,992	65,000	65,000	75,000
560411	Replacement Meters & Parts	76,734	50,000	50,000	75,000
560420	Operating Supplies	10,373	12,000	12,000	12,000
560421	Pipe & Accessories	1,683	3,000	3,000	3,000
560430	Operating Material	14,773	0	0	0
560441	Traffic Sign Material	0	40,000	0	0
Subtotal		751,868	831,436	748,639	801,402

FY 2010 Adopted Budget - City of Fairfax, Virginia

Water Fund expense detail

Account		FY 2008 Actual	FY 2009 Budget	FY 2009 Estimate	FY 2010 Adopted
<u>Water Debt Service</u>					
530113	Contract Services	0	0	0	0
590105	Principal	0	195,885	195,885	169,000
590110	Interest	9,777	3,585	119,199	207,303
590120	Bond Issuance Costs	106,887	0	0	0
	Subtotal	116,663	199,470	315,084	376,303
<u>Water Transfers</u>					
591320	Transfer to Capital Fund	846,500	0	0	0
591403	Transfers to Sewer Fund	1,084,000	0	0	0
591325	Water Transfers	0	0	0	0
	Subtotal	1,930,500	0	0	0
<u>Contingent Reserve</u>					
550891	Contingent Reserve	0	0	0	0
	Subtotal	0	0	0	0
Total Water Fund		\$8,742,001	\$7,227,378	\$8,784,598	\$9,020,774